
ASX ANNOUNCEMENT (ASX: ANO)

29 JULY 2009

REPORT FOR FOURTH QUARTER FY09

Antaria Limited today released its sales data and cash report for the final quarter ended 30 June 2009.

Highlights

- Sales up 46% for 4th quarter and up 20% for full year.
- ZinClear[®]-IM sales nearly doubled on last year.
- ZinClear[®]-IM distribution strengthened in Europe and Asia.
- Working Capital reserves strengthened.

Customer Sales

Total sales to customers were \$1,392,407 (unaudited) for the quarter, up 46% compared to \$954,307 for the corresponding period last year (June 2008 quarter).

Total sales for the 2009 financial year were \$3,628,402 (unaudited), up 20% compared to the 2008 financial year total of \$3,018,571.

Sales of the Company's ZinClear[®]-IM product dominate, totalling \$2,299,777 (unaudited) for the year, nearly doubling the prior year sales of \$1,154,024.

During the year, Antaria has worked hard to improve the quality and efficiency of its production, including the design and planning for an upgrade and expansion of production capability in the coming financial year. This project will see the Company invest to increase its capacity in expectation of larger volume orders from North America.

ZinClear[®]-IM Distribution Initiatives

In July 2009, Antaria and The Dow Chemical Company reached an agreement that will expand the territories in which Dow can market and sell ZinClear[®]-IM zinc oxide products. The agreement includes more than 20 additional countries, including Russia, Japan, India and Middle East regions. Antaria believes this territory expansion initiative, along with changing regulatory environments and a growing awareness of the benefits of ZinClear[®] as a mineral only UV active are positive drivers that should further enhance our penetration of the global sun care market.

In July, Antaria concluded the expansion of its European distribution network with the formalisation of arrangements with IMCD Deutschland (IMCD), part of a global network of companies specialising in the marketing, sales and distribution of specialty chemicals, food and pharma ingredients. Antaria, through its distributors, now ensures high levels of technical and sales support are available to ZinClear[®]-IM customers across every major European territory.

Antaria is receiving some very encouraging feedback from its distribution partners in Europe. In the past, Antaria's promotional activities for ZinClear[®] in Europe have been affected by confusion surrounding the absence of zinc oxide from the EU list of approved UV filters. In 2009, significant progress has been made towards clarification of this situation, with active discussion by regulatory and industry groups showing strong support for zinc oxide to be included in the list. Antaria is now finding

some of the larger European customers who were previously reluctant to use zinc oxide are initiating new projects using ZinClear®-IM in anticipation of this being formalised.

Progress on Merck Licensing Implementation

Following the execution of its licence agreement with Merck KGaA, Germany in April, the Company has worked with Merck to support the transition of its Alusion® cosmetics business. Under the agreement, Merck has exclusive rights to manufacture and sell products using this technology in cosmetics, coatings, printings, plastics and/or decorative applications. During the initial period of the licence, Antaria is toll manufacturing Alusion® for Merck and will also provide contract research and development on a fee-for-service basis.

Cash Balance

Antaria's cash balance at the end of the quarter was \$3,254,895 (unaudited), a net increase of \$950,346 compared to the March 2009 balance of \$2,304,549.

Key contributors to the cash movement for the quarter were:

- Receipt of the first instalment of the €1.3 million licence fee from Merck KGaA, Germany. An amount of €757,800 was received in June (\$1,321,362). While the licence fee from Merck is received upfront in instalments, licence income will be recognised in the Company's profit and loss statement over the life of the licence (approximately €88,500 per annum for 15 years). Royalties relating to Merck-produced products incorporating Antaria's technology will also be recognised in the profit and loss statement as accrued;
- Cash receipts from customers of \$1,100,415 for the quarter compared with \$942,643 for the March 2009 quarter. Antaria had approximately \$320,000 in trade debtors outstanding at the end of the current quarter;
- Grant income receipts of \$157,283 in relation to the Company's Commercial Ready Grant (March 2009 quarter \$161,048);
- Total cash staff costs of \$650,689 (March 2009 quarter \$617,551); and
- Other working capital payments totalled \$845,599 (March 2009 quarter \$768,919). The June quarter included payments for raw materials totalling approximately \$561,000 (March 2009 quarter \$217,000).

Increased Working Capital Reserves

On 20 July, Antaria announced it had reached an agreement with its strategic partner Energenics Holdings Pte Ltd of Singapore that will see Antaria increase its working capital reserves by an amount in excess of \$1.5 million. This working capital injection will be achieved by a private placement of shares issued at 22 cents to the Energenics group raising \$1 million and the receipt of US\$437,000 in relation to an irrevocable order for the supply of Cercat™ for progressive delivery between now and June 2010. Completion of the placement and receipt of all funds will take place within two weeks from the announcement.

About Antaria

Antaria Limited develops, manufactures and sells a range of advanced metal oxide powders and dispersions worldwide. Antaria's products include: **ZinClear®** – broad spectrum, mineral-only UV filters in cosmetic emollients used for sunscreen, skincare, and pharmaceutical formulations that allow SPF 30+ sunscreens containing only zinc oxide as the UV absorber; **Cercat™** – cerium oxide particle dispersion used in diesel fuel applications; and **NanoZ™** – zinc oxide additives that allow stable UV absorber performance for coatings and plastics. In 2009, Antaria also exclusively licensed its plate-like alumina technology to Merck KGaA, Germany for use in Merck's cosmetics and industrial products.

For Further Information:

Bruce Cameron, Executive Chairman
Tel: +61 (8) 6253 5300